

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3326 – SB 3207

April 19, 2012

SUMMARY OF AMENDMENT (016960): Requires the assessment and collection of a 10 cent fee on each completed telephone call made by an offender housed in a local jail or workhouse. Removes the words “or other means of electronic communication.” Requires the telephone service provider to remit such fees to the State Treasurer to be deposited into the Local Correctional Training Fund to be used exclusively to fund certification training provided by the Tennessee Corrections Institute (TCI) for local correctional personnel statewide.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$500,000/Local Correctional Officer Training Fund

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- TCI currently provides mandatory training to local correctional officers in Tennessee as required by Tenn. Code Ann. § 41.7-103. Correctional officers are required to receive 40-hours of basic training within one year of employment. Each year thereafter, officers are required to receive 40-hours of in-service training. TCI provides 16 hours of the mandatory in-service training hours. The collection of this 10 cents fee will provide funding for TCI to continue free statewide training for local correctional officers.
- Local facilities contract with a telephone service provider for installation, management, operation, and maintenance of offender telephones and related equipment. These service agreements vary from provider to provider. One service provider agreement reflects the provider receives 53 percent of the gross revenue billed or prepaid for all telephones covered by the provider. Gross revenue means all revenue generated by every completed call that is accepted by an end user and billed via a local exchange carrier or prepaid to the vendor. The agreement specifies that the telephone rate structure and surcharge rates shall not exceed the maximum rates as authorized by the state’s telecommunication regulatory authority and the Federal Communications Commission.
- Estimate assumes there will not be a decrease in the number of telephone calls currently being made by offenders housed in local facilities. The average local telephone call is

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approximately \$1.50. Adding another 10 cents will not significantly decrease the number of calls being completed on a daily basis in local facilities.

- According to TCI, one telephone service provider that provides service to approximately 20 local facilities reported over three million completed telephone calls during a twelve-month period.
- There are approximately 125 local jails and workhouses in the state with a total bed capacity of 31,770. On January 31, 2012, there were 28,212 offenders housed in local jails and workhouses. Fifty percent or 14,106 offenders will complete at least one phone call per day resulting in an increase in state revenue of \$515,221.65 ($\$0.10 \times 14,106 \text{ offenders} \times 365.25 \text{ days}$).
- Deleting the words “or other means of electronic communication” from the printed bill will not have a significant fiscal impact on the amount of revenue collected.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise'.

Lucian D. Geise, Executive Director

/lsc